



COAL COUNTRY HOUSING DEVELOPMENT, INC.

FINANCIAL STATEMENTS (UNAUDITED)

FOR THE YEAR ENDED MARCH 31, 2006

COAL COUNTRY HOUSING DEVELOPMENT, INC.
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ACCOUNTANTS' COMPILATION REPORT

Board of Directors
Coal Country Housing Development, Inc.
251 South 1600 East #2647
Price, Utah 84501

We have compiled the accompanying statement of financial position of Coal Country Housing Development, Inc. (a nonprofit organization) as of March 31, 2006 and the related statements of activities and cash flows for the year then ended, in accordance with Statements on Standards for Accounting Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements, information that is the representation of management. We have not audited or reviewed the accompanying financial statements, and accordingly, do not express an opinion or any other form of assurance on them.

SMUIN, RICH & MARSING



Price, Utah

July 28, 2006

COAL COUNTRY HOUSING DEVELOPMENT, INC.
STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2006

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 15,134
Accounts receivable	920
Prepaid expenses	200
	<hr/>
Total current assets	\$ 16,254
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NONCURRENT ASSETS:

Land	\$ 118,215
Buildings	620,138
Furniture and equipment	22,975
Less Accumulated depreciation	(171,415)
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Total noncurrent assets	\$ 589,913
	<hr/>
Total assets	\$ 606,167
	<hr/> <hr/>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Tenants security deposits payable	\$ 2,265
Current portion payable on notes payable	10,888
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Total current liabilities	\$ 13,153
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LONG-TERM LIABILITIES:

Notes payable	\$ 440,160
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Total liabilities	\$ 453,313
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NET ASSETS:

Unrestricted net assets	
Cumulative donations	\$ 74,000
Operating	78,854
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Total net assets	\$ 152,854
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Total liabilities and net assets	\$ 606,167
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"See Accompanying Notes and Accountants' Compilation Report."

COAL COUNTRY HOUSING DEVELOPMENT, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2006

SUPPORT AND REVENUE:

Rental income	\$ 23,141
Grants	65,267
Interest	159
Other income	15,464
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Total support and revenue	\$ 104,031
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EXPENSES:

Program Services:

Contract costs	\$ 4,509
Utilities & telephone	10,190
Depreciation	30,126
Interest expense	13,580
Materials	7,334
Travel	1,319
Insurance	4,783
Accounting & legal	1,275
Miscellaneous	151

Supporting Services:

General and administrative	37,329
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Total expenses	\$ 110,596
	<hr/>

CHANGES IN NET ASSETS	\$ (6,565)
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NET ASSETS, Beginning of year	159,419
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NET ASSETS, End of year	\$ 152,854
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"See Accompanying Notes and Accountants' Compilation Report."

COAL COUNTRY HOUSING DEVELOPMENT, INC.
STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE YEAR ENDED MARCH 31, 2006

CASH FLOWS FROM OPERATING ACTIVITIES:

Decrease in net assets	\$ (6,565)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	\$ 30,126
Increase in accounts receivable	(838)
Decrease in prepaid expenses	1,687
Decrease in tenants security deposits payable	(390)
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Net cash used by operating activities	30,585

CASH FLOWS FROM INVESTING ACTIVITIES:

Acquisition of property	\$ (3,000)
	<hr/>
Net cash used by investing activities	(3,000)

CASH FLOWS FROM FINANCING ACTIVITIES:

Payments on principle	\$ (9,838)
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Net cash used by financing activities	(9,838)

INCREASE IN CASH	\$ 11,182
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CASH, Beginning of year	3,952
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CASH, End of year	\$ 15,134
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"See Accompanying Notes and Accountants' Compilation Report."

COAL COUNTRY HOUSING DEVELOPMENT, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2006

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Coal Country Housing Development, Inc. is located in Southeastern Utah, in the city of Price. The Organization has a board of trustees consisting of a chairperson, vice-chairperson, secretary/treasurer and members of the board. Coal Country Housing Development, Inc. has conducted business as a non-profit organization since 1977. The organization was incorporated to implement programs for the development of the housing for low-income individuals in the Carbon County area. This was to be accomplished by securing funding for the acquisition of housing and then matching that housing with the needs of individuals.

Coal Country Housing Development, Inc. is a nonprofit organization as described in Section 501 (c) (3) of the Internal Revenue Code and is exempt from federal and state income tax.

Basis of Accounting

Coal Country Housing Development, Inc. prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. All contributions are available for unrestricted use unless specifically restricted by the donor.

Accounting for Fixed Assets

Capital assets (land, buildings, and furniture and equipment) are recorded at cost or at estimated fair value at the date of gift. Donated items are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Depreciation is provided using the straight-line method over estimated useful lives of five to thirty years.

Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents are cash on the statement of financial position. When both restricted and unrestricted resources are available for use, it is the organization's policy to use restricted resources first, and then unrestricted resources as they are needed.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

2. DEPOSITS

Cash accumulated at the end of March 31, 2006 consisted of unrestricted amounts that are considered to be available for all expenditures. Deposits are carried at cost, plus accrued interest. The entire balance is insured.

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	<u>\$ 15,134</u>	<u>\$ 20,564</u>

3. FIXED ASSETS

Fixed assets are as follows:

<u>FIXED ASSETS, AT COST</u>				
	<u>Balance April 1, 2005</u>	<u>Additions</u>	<u>Adjustments and Retirements</u>	<u>Balance March 31, 2006</u>
Land	\$ 118,215			\$ 118,215
Building	617,138	\$ 3,000		620,138
Equipment and furniture	18,369	4,606		22,975
Total fixed assets	<u>\$ 753,722</u>	<u>\$ 7,606</u>	<u>\$...</u>	<u>\$ 761,328</u>

<u>ACCUMULATED DEPRECIATION</u>				
	<u>Balance April 1, 2005</u>	<u>Depreciation</u>	<u>Adjustments and Retirements</u>	<u>Balance March 31, 2006</u>
Building	\$ 124,155	\$ 27,789		\$ 151,944
Equipment and furniture	12,528	2,337	\$ 4,606	19,471
Total accumulated depreciation	<u>\$ 136,683</u>	<u>\$ 30,126</u>	<u>\$ 4,606</u>	<u>\$ 171,415</u>

3. **FIXED ASSETS (Continued)**

Provision for depreciation of property and equipment is computed on the straight-line method. Depreciation is based on estimated useful lives of individual units or classes of property. The cost of maintenance and repairs of properties and renewals, which do not involve substantial betterment, are charged to expense as incurred. When an item of property is replaced and a substantial betterment results, the cost of the replaced property is retired and the cost of the new property is capitalized. At the time properties are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation are removed from the accounts. Gains and losses therefrom are reflected in the income statement.

4. **PENSION PLAN**

Coal Country Housing Development, Inc. does not participate in a pension plan.

5. **ACCOUNTS RECEIVABLE**

Amounts recorded as accounts receivable are amounts due for rent from clients.

6. **NOTES PAYABLE**

At March 31, 2006, Coal Country Housing Development, Inc. had the following notes payable totaling \$451,048.

<u>Year Ending March 31,</u>	<u>HM0427 Obligation</u>	<u>SP0025 Obligation</u>	<u>HM0050 Obligation</u>	<u>HM0065 Obligation</u>	<u>HP0524 Obligation</u>	<u>Obligation #18</u>	<u>Total</u>
2007	\$ 2,500	\$ 1,444	\$ 699	\$ 2,328	\$ 1,243	\$ 2,674	\$ 10,888
2008	2,500	1,518	735	2,375	1,281	2,864	11,273
2009	2,500	1,596	772	2,423	1,319	50,816	59,426
2010	2,500	1,677	812	2,472	1,360		8,821
2011	2,500	1,763	853	2,522	1,401		9,039
2012-2016	12,500	10,265	4,967	13,395	7,670		48,797
2017-2021	12,500	10,269	6,375	14,802	8,910		52,856
2022-2026	12,500	2,904	8,180	16,356	10,350		50,290
2027-2031	12,500	16,908	9,319	18,076	12,023		68,826
2032-2036	7,588	12,021		20,044	13,966		53,619
2037-2041				22,074	16,223		38,297
2042-2046				5,802	18,845		24,647
2047-2049					14,269		14,269
Total	<u>\$ 70,088</u>	<u>\$ 60,365</u>	<u>\$ 32,712</u>	<u>\$ 122,669</u>	<u>\$ 108,860</u>	<u>\$ 56,354</u>	<u>\$ 451,048</u>

6. **NOTES PAYABLE (Continued)**

Notes payable - Notes payable at March 31, 2006, with their outstanding balance are comprised of the following six items.

\$75,000 Utah State Division of Finance HM0427, due in monthly payments of \$208.33 with an interest component of 0%, issued February 2004. \$ 70,088

\$68,750 Utah State Division of Finance SP0025, due in monthly payments of \$369.06 at an interest rate of 5.0%, issued in November 1999. 60,365

\$36,000 Utah State Division of Finance HM0050, due in monthly payments of \$193.25 at an interest rate of 5.0%, issued in September 2000. 32,712

\$131,000 Utah State Division of Finance HM0065, due in monthly payments of \$396.70 with an interest component of 2.0%, issued in June 2002. 122,669

\$112,000 Utah State Division of Finance HP0524, due in monthly payments of \$374.30 at an interest rate of 3.0%, issued in July 2003. 108,860

Obligation #18 Utah Business Banking, due in monthly payments of \$537.43 at an interest rate of 6.850%.. 56,354

Total Obligations \$ 451,048

Changes in long-term liabilities

Long-term liability activity for the year ended March 31, 2006, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable: Obligations	<u>\$ 460,886</u>	<u>\$...</u>	<u>\$ (9,838)</u>	<u>\$ 451,048</u>	<u>\$ 10,888</u>